



Guidelines for Completing a PNW Statement

Personal Net Worth (PNW) is reported on the Personal Financial Statement form. This form is required for each owner upon which disadvantaged status is relied. Note that all ASSETS and LIABILITIES, except ownership in the applicant firm, should be reported for the named owner only. If ASSETS and LIABILITIES are jointly held, these items should be halved accordingly.

Example:

- John Smith is the applicant. John and Mary Smith jointly own a *vacation* property valued at \$200,000. They each claim 50% ownership on the property. John would only report his 50% interest (\$100,000).
- John Smith is the applicant. Mary Smith, John's spouse, owns a vacation home valued at \$200,000. Mary owns the property in its entirety. John Smith would not include the vacation home in his PNW calculation.

ASSETS

- **Cash on Hand & in Banks** – Total amount of cash on hand as well as total funds deposited in U.S. and foreign financial institutions. This includes, but is not limited to, funds accumulated in checking accounts, certificates of deposit, and money market accounts.
- **Savings Accounts** – Total funds in savings accounts deposited in U.S. and foreign financial institutions.
- **IRA or Other Retirement Accounts** – Individual and other retirement accounts include any fund representing an Individual Retirement Account, an employer/employee funded program such as a 401k, or any other retirement plan. This includes the individual and employer contributions made to the plan. Only the present value of any assets held in retirement savings or investment programs should be included, less the tax and interest penalties that would accrue if the asset(s) were distributed at the present time. *Note: The Office of MBE will not count the first \$500,000 of the cash value of any qualified retirement savings plan or individual retirement accounts in the PNW calculation made for applicants in the State's MBE Program. This adjustment is NOT made for applicants in the federal DBE Program.*
- **Life Insurance – Cash Surrender Value Only** – Enter the CASH SURRENDER VALUE of any life insurance policies only. Do not list the total value of the policy under the ASSETS section. More detailed information about the policy will be provided in Section 8.
- **Stocks and Bonds** – The value of personal stocks, bonds, securities, and any other investments. **DO NOT INCLUDE THE VALUE OF STOCK IN THE APPLICANT FIRM.**
- **Current Fair Market Value of Other Business Interests** – If you have ownership interest in any other business, you must declare the current fair market value of your ownership interest in each of these businesses. Use the most recent financial statements to determine the value of your ownership interest (s). Note that for certification in the State MBE Program, the Office of MBE will not count towards

your PNW the value of any other business you own that is currently certified as an MBE.

- **Real Estate** – List the current market value of all residential property, business property and land owned by the applicant. This includes, but is not limited to, rental property, condominiums, beach homes, homes in other states or countries, second homes as investments, personal property leased or rented for business purposes, farm properties or any other income producing land or property. List all mortgages against these real properties. Mortgage information is listed under LIABILITIES. Additional details on Real Estate Owned will be collected in Section 4. Be sure to identify all mortgage holders. NOTE THAT THE CURRENT MARKET VALUE OF YOUR PRIMARY RESIDENCE OR ANY MORTGAGE OR OTHER LOAN(S) AGAINST YOUR PRIMARY RESIDENCE WILL NOT BE INCLUDED IN YOUR PNW CALCULATION. THESE FIGURES ARE TO BE PROVIDED FOR INFORMATIONAL PURPOSES ONLY.
- **Automobile–Present Value** – List all personal automobiles, trucks, boats, and recreational vehicles at current market value. Loan balances against these vehicles is reported under LIABILITIES.
- **Other Personal Property** – Current market value of the applicant’s share of ownership in all household goods, computers, electronic equipment, jewelry, antiques and collectibles, etc.
- **Other Assets** – Current market value of the applicant’s share of ownership in any other assets that do not fit in one of the foregoing sections.
- **Total Assets** – Sum total of all assets reported.

LIABILITIES

- **Accounts Payable** – Personal obligations (i.e. credit card debit, store accounts) that are not associated with the applicant firm and are payable by the applicant personally.
- **Notes Payable to Banks and Others** – Current balance(s) of any personal loan(s) not reflected elsewhere in the document and any other personal debt guaranteed by the applicant’s signature. Shareholder loans must be in the form of a written agreement with defined interest and a repayment schedule. DO NOT INCLUDE BUSINESS RELATED NOTES THAT YOU ARE PERSONALLY RESPONSIBLE FOR IN ANY WAY.
- **Unpaid Taxes**
- **Other Liabilities** – Applicant’s share of any liability not previously accounted for. DO NOT LIST ANY CONTINGENT LIABILITIES OR DEFERRED LIABILITIES. DO NOT LIST ANY APPLICANT BUSINESS LIABILITIES.
- **Total Liabilities** – Sum total of all liabilities reported.
- **Net Worth** – Total ASSETS minus total LIABILITIES.

*If you have any questions, please contact the Office of Minority Business Enterprise at
410-865-1269 or*

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